

2 “CORPORATE SOCIAL RESPONSIBILITY” – A RAY OF HOPE FOR THE FARMERS

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ABSTRACT

The farmer suicide graph has been steadily rising in India. With limited resources, farmers depend on borrowed money to purchase seeds and other inputs and to cultivate their land. A crop failure, an unexpected health expense or the marriage of a daughter are perilous to the livelihood of these farmers. Corporate Social Responsibility (CSR) is the only way out in the present scenario to motivate the dejected small & marginal farmers. Companies can be socially conscious and responsible and become the change agents. An accountability model is a must. It makes the government, private companies and the associated NGOs more responsible. Socially conscious individuals having high disposable income can contribute and advocate social sustainability. Corporate Social Responsibility can be complemented by personal social responsibility. Social Advocacy by the affluent and well to do people can bring relief to poor farmers and their immediate families. A triad between government, private companies and local NGO can be formed to effectively implement the CSR. It can do wonders for the farmers and bring back life in them.

Keywords: *Corporate Social Responsibility (CSR), Personal Social Responsibility (PSR), Accountability, Social sustainability.*

INTRODUCTION

The suicide rate for farmers has been on the rise over the last decade. Suicide has spread like an epidemic among the distraught farmers. Some alarming revelations have surfaced from a new study. A record of 2.5 lakh farmers have committed suicide in India since 19951. Many farmers have committed suicide by drinking the very pesticides that no longer work on their crops. Andhra Pradesh, Karnataka, Madhya Pradesh and Chhattisgarh are hit hard, with two third of farmer suicides being reported from these states. The despair has deepened over the past few years with 18 of the 28 states reporting more suicides. The farmer suicide graph has been steadily rising.

While the prices of crops have been pushed down often even below the cost of production, the prices of inputs such as seed, fertilizers and pesticides have gone up. With limited resources, farmers depend on borrowed money to purchase seeds and other inputs and to cultivate their land. A drop in their farm income quickly leads to farmers owing more than they own. A crop failure, an unexpected health expense or the marriage of a daughter are perilous to the livelihood of these farmers.

The problem cannot be solved through economic packages alone by the government. There is a dire need for complete social, political & corporate intervention by the government agencies, corporate houses, NGOs and individuals so that the farmers realize that suicide is not the

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way out.

ADDING MISERIES FOR THE FARMERS - REASONS FOR SUICIDE

Small Land Holdings

Small and marginal farmers are the biggest chunk of farmers' population in India. Farming households earning less than Rs 32,500 per year and those with land holdings less than five acres have been defined as small and marginal by the National Sample Survey. Small size of the land does not give them enough yields to sustain their families and purchase the latest high yielding seeds for the next crop.

Natural Calamities

The farmer's life is full of uncertainties. Farmers mostly depend on monsoons for agriculture/farming. Climate changes in recent years have added miseries for them. The abnormal behavior of monsoon has caused natural disasters such as scarcity conditions or drought, floods, cyclones, etc. The farmers are not economically sound. The low yield of crops means reduced income and difficulty in meeting the necessities of life as well as inputs for the next season. These natural calamities make their lives more stressful.

Uneven Distribution of Rainfall

Majority of Indian farmers completely rely on the rain gods for irrigation of their crop. Rainfall over the years has become irregular. Even though the average rainfall may be just 3% less but there has been uneven distribution of rainfall. Some areas have got more than the average rainfall where as in other areas it remained dry. The agricultural state of Chattisgarh was hit by falling water levels. "The water level has gone down below 250 feet there. It used to be at 40 feet a few years ago". Due to lack of irrigation facilities the farmers lose huge amount of produce every year.

Money lenders

According to a survey small farmers use informal channels to get loans. Almost 36% of Small and marginal farmers take loans from the local money lender and another 34-35% take loans from their friends and relatives. Being uneducated, these farmers are easily lured by the local money lenders. They charge as much as 20% interest for a four month loan.

Bank Loans

Almost 75% of the farmers' population in India is small and marginal farmers². They borrow either from the local money lenders or their friends and relatives. Government policies to waive the farmers bank loans does not benefit these marginal and small.

Inadequate Government Insurance Policies

Insurance schemes like Pilot Crop Insurance Scheme (PCIS) started in 1979, Experimental Crop Insurance Scheme (ECIS), Comprehensive Crop Insurance Scheme (CCIS) in April 1995 and Sookha Suraksha Kavack (Drought Risk Insurance) have been implemented with the help of state governments and the central government. These initiatives were not long term in nature and the benefits could not be reached to all the farmers. Due to financial difficulties they were discontinued at some point of time.

Four crop insurance schemes Viz, the National Agricultural Insurance Scheme (NAIS), Modified NAIS (MNAIS), Pilot Weather Based Crop Insurance Scheme (WBCIS), Pilot Coconut Palm Insurance Scheme (CPIS) are under implementation in the country for the financial year 2011. The private insurance companies can come forward and work out the sustainability of these insurance schemes in the long run.

Sense of Loss

Repeated sense of hopelessness, loss of crops, loss of land, and loss of income makes them feel alone and lead to depression and other mental illnesses.

Loan in Lieu of Land

Small farmers do not have any savings. The concept of banks and savings are still sinking in. To get loans farmers often sign away the title of their land as collateral. There is no one reason but number of variables for the rising suicides among farmers. The vicious circle of poverty makes him helpless and demoralized, and when even this last source of income i.e. land goes in the hands of money lenders or banks; the farmers have no other option but to end their lives.

THE FUTURE

The role of the agriculture sector, remains critical as it contribute just a meager 14% to the GDP but accounts for about 58 per cent of employment in the country (as per 2001 census). It has come down from 23% to 14 % over the years. The day is not far, if we do not think about our bread producers we may have to completely depend on imports from other nations for food. Till now farmers have been at the mercy of the almighty. Today if some steps are not taken on war footing, even the God may not help us. The consequences we are facing right now in food inflation could lead to civil wars, famine and complete failure of law and order.

WHAT IS THE WAY OUT? - CORPORATE SOCIAL RESPONSIBILITY

Following strong business reforms, the country's economic growth has progressed at a rapid pace leading to a big leap in the incomes and standard of living of people. The manufacturing and service sectors are growing and contributing

significantly to the Indian economy. The corporate houses and NGOs can help in filling the gap which the government has left towards the welfare of the despaired farmers.

CSR in India is in a very nascent stage. It is still one of the least understood initiatives in the Indian development sector. "The government has not made it compulsory for every company to have a policy for CSR, but it would be mandatory on the part of public enterprises to spend their 2% of net profits into CSR activities".

Business organisations today, apart from being economic entities are also considered to be social institutions. Corporate Social Responsibility (CSR), also called corporate conscience, corporate citizenship etc, adopted by the corporate business houses is the only ray of hope for our bread producers to regain their confidence. It is the only way out in the present scenario to motivate the dejected small & marginal farmers. Well rather CSR can only prove that the big can hold the small and nurture it and help it to grow strong and healthy. The long term perspective should be food security and self sufficiency for everybody.

The objectives of CSR are to embrace responsibility for the company's actions and encourage a positive impact through its activities on its employees, environment, consumers, communities, stakeholders and society at large. Company's vision should be of sustainable development and play the role as a socially and ethically responsible corporate citizen. Companies should be socially conscious and responsible and need to be the change agents. They can play a meaningful role in the society with their active involvement.

It is up to the corporate to decide which approach they would like to adopt, the philanthropic approach or to align CSR with its business strategy. The companies can align their core businesses to the CSR activities. A favorable

corporate reputation can enhance a company's competitive standing and financial performance. However, the misalignment between business and CSR strategies can result in decisions that harm its hard-earned reputation.

Already few companies have CSR teams dedicatedly working for various projects for the welfare of the people. According to statistics among the top 500 largest Indian Companies only 12 Indian companies have attained level 4 in CSR4 contributions namely: Ballarpur Industries, HDFC, Infosys Technologies, Wipro, Jubilant Organosys, Kansai Nerolac, Larsen & Turbo, Mahindra & Mahindra, Moser Bear, TCS, Tata Steel & Titan Industries which accredits that they spend 0.2% of their sales on CSR activities. Number of companies practicing CSR at level 3 and below has stagnated. It is important that more number of companies should fulfill their social responsibilities.

An accountability model is a must. It not only monitors the progress but also brings in transparency and trust among the agencies involved. It makes the government, private companies and the associated NGOs more responsible. It helps to find the grass root problems of the farmers and solutions to it can be discussed and implemented effectively.

Personal Social Responsibility

Our country has undergone a fast pace of economic development in the last decade. Income levels of people have risen drastically. Socially conscious individuals having high disposable income can contribute and advocate social sustainability. The joy of giving week is one such initiative to make people think and share their wealth with the less privileged. More number of such special days should be celebrated. The aim of such celebrations should be to make the masses aware about such programmes. Media with the help of celebrities and real life heroes can create constant reinforcement by arousing the feeling of

individuals to share and give.

Companies like TATA have initiated various social welfare programmes in villages and towns near to their operations. On similar lines individuals can start with the immediate surroundings i.e. where they stay or work. Social sites can bring like minded people together for a cause. One cannot expect drastic turnaround in people's attitude, but a gradual shift in thinking and small actions towards the goal can make the difference in the society. Educated people from the villages can take up the mission to educate the illiterate farmers about latest government policies, bank norms, insurance schemes and latest techniques in agro farming.

We can create a revolution in the minds of the people with the following:

- Create social consciousness among individuals since childhood. The seed can be sown in schools. The curriculum should include activities related to giving and sharing with the less privileged children.
- Social Advocacy by the affluent and well to do people. Corporate tycoons, CEOs can show keen interest in upliftment of the society. It will have a viral effect; more people below in the hierarchy will be motivated to join them. Support from friends, family, local communities, government policies and society as a whole, can reduce the stress on farmers and its families.

CSR INITIATIVES FOR SAVING THE FARMERS

Crop Insurance

Crop insurance is a financial mechanism to minimize the impact of loss in farm income by factoring in a large number of uncertainties which affect the crop yields. It is a technique where losses

suffered by few are met from funds accumulated through small contributions made by many who are exposed to similar risk. Crop insurance is a means to protecting the cultivators against financial loss on account of anticipated crop-loss arising out of practically all natural factors beyond their control such as natural fire, weather, floods, pests, diseases etc. Homogeneous area approach can be chosen for risk assessment by the insurance companies. Homogeneous crop area is taken as a unit for assessment of yield and payment of indemnity. Companies into insurance can extend their hands to the weak farmers. Private insurance companies can pledge a percentage of their net worth towards the crop insurance.

Chinese Model to Reduce the Effect of Droughts and Floods

The government needs to deal with flood and drought prevention and management in a big way. The country usually enjoys bountiful rains in the monsoon season, but its distribution remains erratic, leading to huge economic loss. There is a need to deploy the latest scientific technologies to deal with such emerging situations. China undertakes cloud seeding projects to prevent the possibility of droughts in the crucial agriculture season. China has also demonstrated its capability to disperse rain clouds to prevent excess rains and floods. Companies can support the farmers with such latest technology and improve the production. It can considerably reduce the losses due to excessive or less rainfall.

Co-operative Farming

After the success of dairy cooperatives for e.g. Amul India, lessons can be learnt and cooperative farming could be initiated. The stakeholders can be the owners of the farmland, local NGOs and the companies involved. Cooperative farming envisaged and started in Andhra Pradesh can be implemented in other states too.

Cooperative farming not only brings farmers together to cultivate their land but also gives a sense of togetherness. It improves the farmer's physical strength and also keeps them mentally strong. Proper resource allocation and planning can bring a revolution in farming. CSR Companies and NGOs can involve by educating the farmers about the benefits of cooperative farming. Companies can distribute high yielding seeds and various latest tools so as to get high returns in agriculture. A profit sharing business model could be made and implemented.

Soft Loans & Easy Loans

Soft loans are loans with a below-market rate of interest. This is also known as soft financing. Sometimes soft loans provide other concessions to borrowers, such as long repayment periods or interest holidays. Soft loans are usually provided by governments to projects they think are worthwhile. The World Bank and other development institutions can sanction soft loans to developing countries for the development of drought hit areas. On the other hand nationalized banks and private banks can make it easier for the farmers to take loans. The banks with the help of its employees and local NGOs can make the farmers aware and educate them about the facilities available through these financial institutions.

Rain Water Harvesting

Sustainable methods for managing water in agriculture should be worked out. In agriculture rainwater harvesting has demonstrated the potential of doubling food production compared to the 10% increase from irrigation. It is found that rainwater harvesting can be efficient as a complementary and viable alternative for small farmers in dry areas. Rain water harvesting is solely a local intervention. Companies with sound and innovative technologies can hold consultation with local NGOs for better water management

systems. The CSR members (government, companies & local NGOs) should establish policies and cost sharing strategies, (including subsidies) to be provided together with technical know-how and capacity building. The same should be shared with the village folks and their participation should be encouraged.

Knowledge Partners

Organisations are having an ocean of knowledge in the form of its human resource. All the organisations need not be investing their funds for the CSR programmes. Some can contribute positively by sharing their knowledge and innovations in agribusiness for the benefit of farmers.

Education and Training

Counseling and education would immensely help farmers overcome this dire situation. Government's initiative for night schools for villagers can be started again with night meals as an incentive. Farmers after the day's work can directly go for classes. CSR members can train frontline executives who go into the field, to educate the farmers in each village. They can conduct awareness campaigns, special advanced education camps, and symposiums on environmental changes. CSR can bring all inclusive growth in agriculture if the CSR members help the farmers with new innovative techniques in farming to improve their productivity. Farmers can grow confident with education. It is important to make the farmers aware about their rights too.

FDI Investment in Cold Chains and Warehouses

Almost 40% of fresh fruits and vegetables are wasted due to inadequate cold chains and warehouses. The supply chains can be improved by bringing in certain strong foreign policies. The FDI investing in India can be given approval if they are investing in infrastructure development in

rural areas.

EFFECTIVE IMPLEMENTATION OF CSR

Top management of companies and self motivated individuals should take the first step towards implementing CSR. The plans and policies framed by the top management and their vision to serve the society will motivate the employees to come forward and engage themselves in these activities. Following steps could constructively help in implementing CSR by organisations and individuals.

Public Policy

Government can formulate a strong public policy which motivates the private sectors to implement CSR. Companies can be given tax rebate on the money invested in CSR activities. Various incentives can be given by the government if the companies and its employees engage themselves for the benefit of the farmers.

Company's Front Liners on the Job

Most large corporations implement their social projects through a corporate contributions office or a corporate foundation, which tend to be isolated from line-management and business decisions. The responsibility of these departments is given to people who may be least influential or executives who are about to retire or fundraisers recruited from NGOs (Himmelstein, 1997). The company's frontline managers in marketing, manufacturing, operations, and other line-management functions are rarely involved in CSR programs. The front line executives can be engaged in CSR activities along with their normal business activity. It can bring in a deeper insight about the problems of the poor farmers due to face to face interactions.

Funds to Focus on a few Projects

The organisations have spread their wings by contributing in different areas of the society with number of projects at a time. Adequate finance, manpower and focused strategy are usually missing in most of the projects. The companies do make contributions and allocate some budget towards these NGOs and charitable institutions but they are very limited and there is no sense of accountability about the utilization of those funds. Companies can focus on a few projects and allocate their funds so that the projects can achieve its goals quickly.

Accountability and Responsibility Model

An accountability and responsibility triad can be formed. An agency comprising of NGOs, corporate houses, states and central government representatives can be formed. The triad can be expanded with different companies and NGOs who are like minded and having the same mission to form a network and help each other with their views, expertise and technology etc. Use of internet will help the CSR members to know what programmes are being run in different parts of the country. It will bring greater transparency in CSR activities. The funds invested can be tracked and the associated CSR members can be held responsible for their respective projects. Accountability makes the CSR members more responsible and the project implementation more effective.

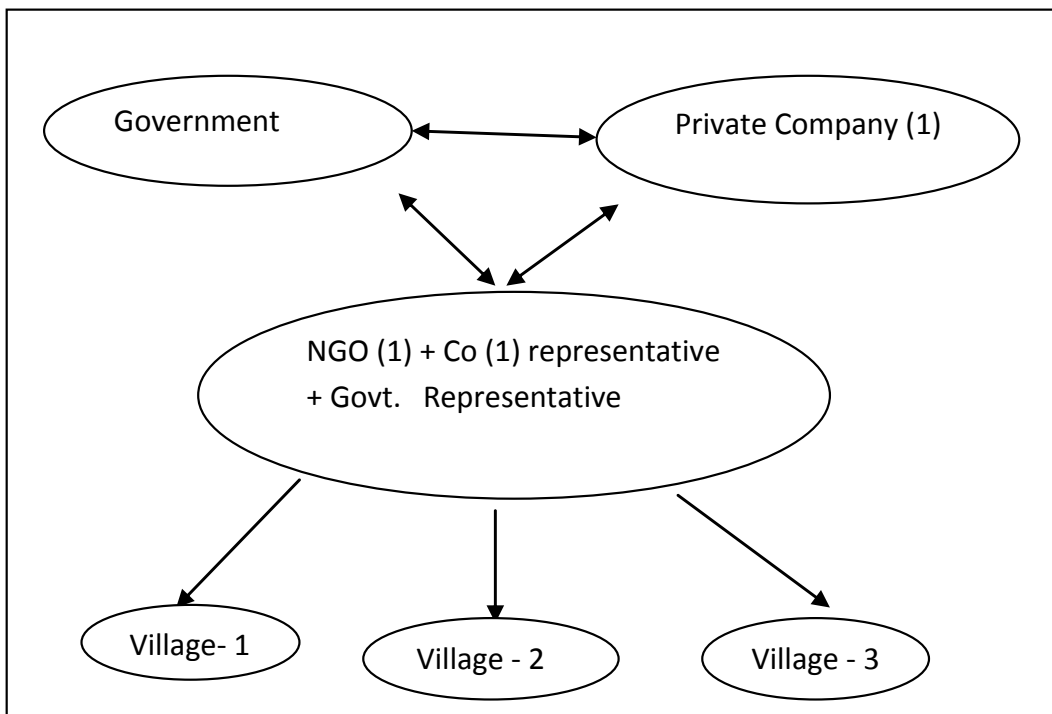


Fig - 1 Accountability & Responsibility Model for CSR Activities

CONCLUSION

The first verse of Ishavashya Upanishad – “All that exist in this universe is the abode of the almighty. Therefore, enjoy the good things in life by sharing them with others”. Everyone who eats has a stake in farmers’ well-being. Growth of Indian agriculture can be considered a necessary condition for ‘inclusive growth’. Concerted and focused efforts are required for improving the lives of our fellow farmers. A holistic approach, simultaneously working on agricultural research, development, dissemination of technology, and provision of agricultural inputs such as quality seeds, fertilizers, pesticides, and irrigation, would help them to come out from the shackles of uncertainties and fear. Effective coordination and monitoring of the ongoing agriculture reforms and a genuine CSR can bring the much needed second green revolution in India.

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